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**U.S. DEPARTMENT OF STATE**

**APPLICATION OF  
ENBRIDGE ENERGY LIMITED PARTNERSHIP  
FOR A  
PRESIDENTIAL PERMIT**

**ALBERTA CLIPPER PROJECT**

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UNITED STATES OF AMERICA  
DEPARTMENT OF STATE

Enbridge Energy, Limited Partnership )

No. \_\_\_\_\_

**APPLICATION OF ENBRIDGE ENERGY, LIMITED PARTNERSHIP  
FOR A PRESIDENTIAL PERMIT TO AUTHORIZE THE CONSTRUCTION,  
OPERATION AND MAINTENANCE OF CERTAIN PIPELINE FACILITIES  
AT THE INTERNATIONAL BOUNDARY BETWEEN  
CANADA AND THE UNITED STATES**

Pursuant to Executive Order 11423, 33 Fed. Reg. 11741 (Aug. 16, 1968), as amended, and Executive Order 13337, 69 Fed. Reg. 25229 (Apr. 30, 2004), Enbridge Energy, Limited Partnership<sup>1</sup> ("Applicant") hereby submits its Application to the United States Department of State ("Department of State") for a Presidential Permit authorizing the construction, operation, and maintenance of a 36-inch diameter pipeline, referred to hereinafter as the "Border Crossing Facilities," for the transportation of crude oil and other liquid hydrocarbons between the United States and Canada, to be located at the international border between the United States and Canada, at Necho, North Dakota, as set forth herein. Authorization to construct and operate the Border Crossing Facilities is being requested in connection with Enbridge's proposed International pipeline project (the "Alberta Clipper Project"), which is designed to transport crude oil from the Western Canadian Sedimentary Basin ("WCSB") to downstream refinery markets in the Midwest region of the United States and eastern Canada, as more fully described below.

<sup>1</sup> Enbridge Energy, Limited Partnership is a wholly owned subsidiary of Enbridge Energy Partners, L.P. and an affiliate of Enbridge Inc. Enbridge Inc.'s subsidiary, Enbridge Pipelines Inc., owns and operates the Canadian portion of an existing pipeline system that interconnects and delivers into the United States into the Enbridge Energy, Limited Partnership system known as the "Lakehead System". These operationally integrated pipeline systems together form the longest liquid petroleum pipeline in the world. Together, these two systems are referred to as the "Enbridge Mainline System." Collectively these affiliated entities are referred to as "Enbridge."

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Applicant submits that the Border Crossing Facilities will serve the national interest. By enhancing the ability to deliver a secure and growing supply of Canadian crude oil, thereby supplementing the diminishing supplies of domestically produced crude oil historically produced within Petroleum Administration Defense District ("PADD") III and southern PADD II, the Alberta Clipper Project will provide pipeline capacity required to meet the growing demand of U.S. refineries for Canadian crude oil. The Project will provide these substantial benefits with minimal impact to the environment since it will be constructed generally within or immediately adjacent to the existing Enbridge Mainline System right-of-way now containing five liquid hydrocarbon pipelines. Accordingly, the Alberta Clipper Project will meet the U.S. demand for stable supplies of crude oil while minimizing any impact to landowners and the environment.

Timely authorization of this Application is needed in order to meet the capacity requirements of Applicant's shippers, and avoid apportionment on the Enbridge Mainline System due to the forecasted growth in the Alberta oil sands production, as explained in more detail below. Accordingly, Enbridge respectfully requests the issuance of a Presidential Permit by no later than November 1, 2008, to allow for winter construction to begin by December 15, 2008. This Application and attachments contain all of the information required by the Department of State Fact Sheet on Presidential Permit Applications, dated February 7, 2002.<sup>2</sup>

<sup>2</sup> <http://www.state.gov/p/wha/rfs/fs/7895.htm>

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## I. COMMUNICATIONS

Any communications with respect to this Application should be directed to:

Joel Kanvik	John Harrington
Enbridge Energy Company, Inc.	Fulbright & Jaworski LLP
1100 Louisiana, Suite 3300	801 Pennsylvania Avenue, N.W.
Houston, Texas 77002	Washington, D.C. 20004-2615
(713) 821-2000	202-662-4530
joel.kanvik@enbridge.com	jharrington@fulbright.com

## II. BACKGROUND

### A. The Applicant

The Applicant is Enbridge Energy, Limited Partnership ("EELP"), a limited partnership duly organized under the laws of the State of Delaware. EELP is a wholly owned subsidiary of Enbridge Energy Partners, L.P. ("Enbridge Partners") which is a Delaware master limited partnership headquartered at 1100 Louisiana, Suite 3300, Houston, Texas 77002 (ph. 713-821-2000; [www.enbridgepartners.com](http://www.enbridgepartners.com)). Enbridge Partners is a publicly held limited partnership. The Class A Common Units of Enbridge Partners trade on the New York Stock Exchange under the symbol "EEP" as regularly traded instruments and are available to the investing public through regular retail brokerage services. The majority ownership of Enbridge Partners is held by approximately 78,000 Class A unit holders. Enbridge Energy Management, L.L.C., a publicly traded limited liability company under the symbol "EEQ," owns approximately eighteen percent (18%) of Enbridge Partners and is the delegated manager of Enbridge Partners. Enbridge Inc., through its ownership of Enbridge Partners' General Partner, Enbridge Energy Company, Inc., holds an eleven percent (11%) interest. Enbridge Partners' total assets were \$5.2 billion and operating income was approximately \$387 million for the year ending December 31, 2008.

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Enbridge Partners provides pipeline transportation of petroleum and natural gas in the Mid-Continent and Gulf Coast regions of the United States, in addition to gathering, processing, and other related operations. Its two primary business segments are Liquids Transportation and Natural Gas. The Liquids Transportation segment involves the transportation by pipeline of crude petroleum and natural gas liquids via three main interstate pipeline systems (Lakehead, North Dakota and Ozark). The Natural Gas business segment involves the interstate and intrastate transportation by pipeline of natural gas as well as related gathering, midstream, and marketing operations. Enbridge Partners operates over 5,000 miles of liquids pipeline facilities in sixteen different states.

As stated above, EELP owns and operates the Lakehead System, the U.S. portion of an operationally integrated pipeline system spanning 3,300 miles across North America to connect producers and shippers of crude petroleum and natural gas liquids in western Canada with markets in the United States and eastern Canada.<sup>3</sup> The Enbridge Mainline System operates in seven Great Lakes states, transporting approximately seventy percent (70%) of the crude petroleum and natural gas liquids produced in western Canada to refinery centers in the midwestern United States and eastern Canada. The Enbridge Mainline System meets approximately seventy-one percent (71%) of the refinery demand in Minnesota; sixty-two percent (62%) in the greater Chicago area; one hundred percent (100%) in Wisconsin; and eighty-two percent (82%) in Ontario. As demand for transportation services has steadily increased, average daily deliveries on the Lakehead System of crude petroleum have risen, from 1.34 million

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<sup>3</sup> Enbridge Energy, Limited Partnership was formerly known as Lakehead Pipe Line, Limited Partnership; hence, "Lakehead System."

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barrels per day ("bpd") in 2005 to 1.52 million bpd in 2006, and it is expected that the Lakehead System will transport approximately 1.64 million bpd in 2007.

The Lakehead System spans approximately 1,900 miles from the international border near Natchez, North Dakota to the international border near Marysville, Michigan, with an extension from facilities in Canada across the Niagara River into the Buffalo, New York area. The Lakehead System's facilities include nearly 3,300 miles of underground pipe ranging from twelve (12) to forty-eight (48) inches in outer diameter and approximately 10.8 million barrels of storage capacity for crude oil at four terminals located at Clearbrook, Minnesota; Superior, Wisconsin; Griffith, Indiana; and Hartsdale, Indiana. From Marysville, affiliated pipelines continue into the Canadian Provinces of Ontario and Quebec. See General Systems Map appended hereto as Attachment A.

Information about EELP is available on the Company's website at [www.enbridgepartners.com](http://www.enbridgepartners.com). EELP and its affiliate, Enbridge Pipelines Inc., have a proven track record which demonstrates the successful design and execution of expansion projects in Canada and the United States such as the one proposed herein, and have efficiently and reliably operated crude oil and liquid petroleum pipeline facilities that cross the U.S.-Canadian border since 1950.

## **B. Existing Pipeline Operations**

The Border Crossing Facilities, as described below, represent a further expansion of the Enbridge Mainline System's capacity from Natchez, North Dakota to Superior, Wisconsin. The Presidential Permit sought for this current expansion is in addition to three currently effective Presidential Permits for existing facilities at this same border crossing, namely the:

- 1991 Border Crossing Permit for the 18-, 26- and 34-inch diameter liquid hydrocarbon pipelines;

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- 1994 Border Crossing Permit for the 20-inch diameter liquid hydrocarbon pipeline; and a
- 1998 Border Crossing Permit for the 36-inch diameter liquid hydrocarbon pipeline.

### **III. DESCRIPTION OF FACILITY**

This Application seeks a Presidential Permit for that portion of the Alberta Clipper Project that crosses the international border between Canada and the United States. The limited Border Crossing Facilities shall consist of approximately forty (40) feet on each side of the International Boundary and shall be buried to a minimum depth of three (3) feet below ground level; such segment shall connect at the international boundary line with like facilities in the Province of Manitoba, Canada. Attached herewith as Exhibit A is an engineering drawing depicting the Border Crossing Facilities. Also attached as Exhibit B are photographs of the construction site. The Border Crossing Facilities proposed herein will be located within the Enbridge multi-line rights liquid hydrocarbon pipeline easements and will run parallel to the existing Enbridge Mainline System border crossing facilities near Natchez, North Dakota. The technical specifications for the Border Crossing Facilities are set forth in Exhibit C hereto.

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Applicant proposes to construct and operate the Border Crossing Facilities as an integral part of its Alberta Clipper Project for the purpose of transporting crude oil and other liquid hydrocarbons from the WCSB to the Midwest region and beyond. The Alberta Clipper Project will consist of approximately 992 miles of 36-inch outer-diameter pipeline extending from Hardisty, Alberta, Canada to Superior, Wisconsin, and will be operationally integrated with the Enbridge Mainline System.

The Canadian portion of the Alberta Clipper Project, consisting of approximately 666 miles of 36-inch outer-diameter pipeline, will be owned and operated by Enbridge Pipelines Inc. This portion of the Alberta Clipper Project will originate at the Enbridge Hardisty terminal facility and extend to the southeast to the international boundary line in the Province of Manitoba, Canada where it will connect with like facilities of Applicant. (See overview map of the Alberta Clipper Project attached as Exhibit H.)

The U.S. portion of the Alberta Clipper Project will originate at the U.S.-Canadian boundary near Natchez, North Dakota in Pembina County, and extend approximately 326 miles to end at the Enbridge Superior tank farm and terminal facilities in Douglas County, Wisconsin. The Alberta Clipper Project will be generally located immediately within or immediately adjacent to and contiguous with the existing Enbridge Mainline System right-of-way. While minor route deviations away from Enbridge's existing route may be necessary as detailed in the accompanying Environmental Assessment Report ("EA") attached in Tab D, the combination of following existing Enbridge pipeline rights-of-way or other utility corridors results in a system that will be located along previously disturbed pipeline or utility rights-of-way for approximately 99% of its entire route, thus minimizing landowner issues, environmental and socio-economic impacts, and risk of construction delays.

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Also, attached as Exhibit D are U.S.G.S. quad and aerial maps of the proposed pipeline route from the U.S.-Canadian boundary to Superior, Wisconsin. A more detailed discussion of its design, the environmental standards to be applied and details of the proposed construction methods are addressed in the EA.

## **IV. NATIONAL INTEREST**

Applicant submits that the construction of the Alberta Clipper Project including the Border Crossing Facilities will serve the national interest by providing U.S. refiners access to secure, reliable and economic sources of growing crude oil supplies, primarily sourced from western Canada, to meet the current and increasing demand of U.S. consumers for petroleum products. Furthermore, the national interest is served as the Alberta Clipper Project will expand the Enbridge Mainline System to eliminate capacity bottlenecks that impact the U.S. production sources.

### **A. Planned Use and Purpose**

The Alberta Clipper Project has been developed in consultation with western Canadian producers seeking increased capacity out of the WCSB and into the traditional and extended PADD II, and eastern Canadian markets. Additionally, through interconnects with other pipeline systems, this production may be transported to the vast refining centers of the Gulf Coast Region. Enbridge investigated a number of alternatives before determining that the Alberta Clipper Project provided the most economical, integrated transportation solutions available to the industry while ensuring flexible and scalable incremental capacity out of the WCSB.

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As demonstrated over the last few years, the demand for crude oil transportation on the Lakehead System has increased, rising from 1.34 million bpd in 2005 to 1.63 million bpd during the fourth quarter 2006. In direct response to this demand for increased capacity out of the WCSB, Enbridge has undertaken a number of expansions and extensions to both the Canadian and U.S. portions of the Enbridge Mainline System. (See discussion on "Other Expansions on the Enbridge Mainline System" below.) Additionally, Enbridge has consulted with its shippers to address the expected capacity constraints as a result of the increasing supplies from western Canada and to develop options that will allow Canadian crude oil to access new markets.

The Alberta Clipper Project will transport liquid hydrocarbons from Hardisty, Alberta and deliver such supplies into the tank farm and terminal facilities at Superior, Wisconsin. At the Superior terminal, the liquid hydrocarbons will be further transported into the traditional and extended PADD II markets and eastern Canadian markets via the Lakehead System, which is currently being expanded by the Southern Access Project, as more fully described below.

Once integrated with the Enbridge Mainline System, the Alberta Clipper Project provides the additional capacity needed to satisfy its shippers' requirements, while also providing increased flexibility to meet supply forecasts and accommodate changing crude oil slates over time. The Alberta Clipper Project will have an initial capacity to deliver 450,000 bpd of crude oil. While no specific further expansions are currently planned, the design of the Alberta Clipper Project allows for future expandability of up to 800,000 bpd through additional horsepower (not requiring new pipelines or pipeline looping) should future growth of WCSB crude production require capacity expansions.

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**B. Petroleum Supply and Demand in Midwest**

Demand for petroleum products as an energy source and for other purposes is growing and will continue to escalate throughout the Midwest area as population grows and economic activity expands, despite energy conservation, use of alternative fuels and efficiency measures. Satisfying this demand requires transportation of crude oil and other petroleum products from the WCSB to various refineries within the Midwest and beyond.

**C. Applicant's proposed pipeline increases pipeline capacity as Canadian crude production increases**

Production and supply forecasts for the WCSB consistently show strong growth for the foreseeable future. Supply forecasts from the National Energy Board ("NEB")<sup>4</sup>, the Canadian Association of Petroleum Producers ("CAPP")<sup>5</sup>, and Enbridge Pipelines Inc.<sup>6</sup> all predict significant growth in the WCSB production over the next 15 years. By 2010, the forecasts show that there could be between 600,000 to 800,000 bpd of incremental crude oil production (see Figure C.1 below). Existing pipeline capacity will not be able to accommodate this growth.

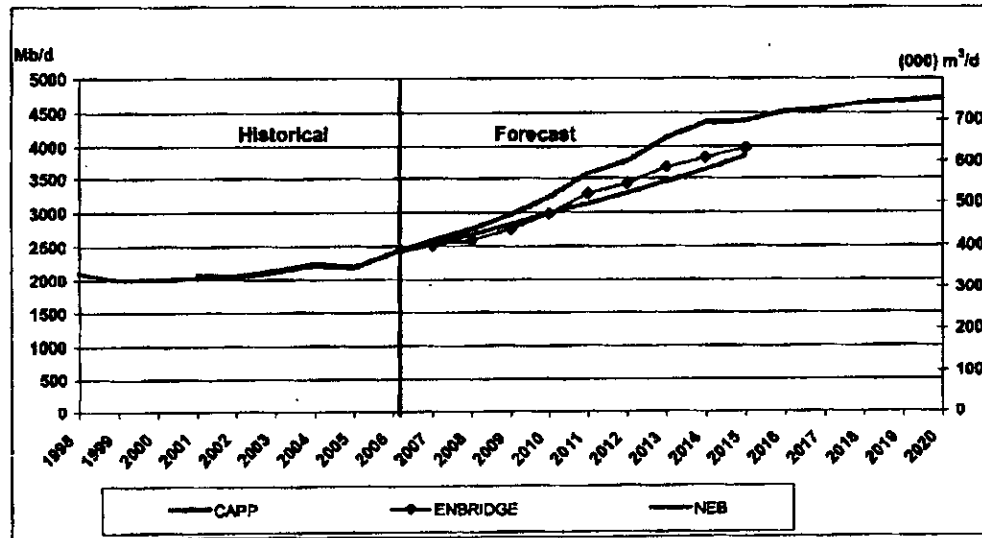
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<sup>4</sup> See Exhibit F

<sup>5</sup> See Exhibit E

<sup>6</sup> See Exhibit G

Figure C.1: Comparisons of WCSB Production Forecasts (2006)



This expected supply increase from Canada comes at a time of growing demand from the U.S. Mid-Continent region and Ontario. As shown on the enclosed Attachment A, the Enbridge Mainline System is uniquely situated to serve as the conduit for this growing international trade. As previously stated, in 2006 Enbridge exported seventy percent, (70%) of the crude oil and natural gas liquids produced in western Canada, thus meeting approximately seventy-one percent (71%) of the refinery demand in Minnesota, one hundred percent (100%) in Wisconsin and sixty-two percent (62%) in the greater Chicago area. With respect to demand growth at and east of Sarnia, Ontario, Enbridge is the sole transportation outlet for WCSB crude to reach those markets, transporting approximately eighty-two percent (82%) of the crude oil demanded in by that area.

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Recent forecast updates distributed by CAPP<sup>7</sup> in its annual report for Canadian crude production covering the period 2006 – 2020, show that, absent pipeline expansions, there will be a deficit in pipeline capacity of 1.65 million bpd in 2015 and 2.0 million bpd in 2020. The Alberta Clipper Project is needed and in the national interest as it will provide the timely addition of incremental capacity necessary to connect the increasing oil sands production to refining centers in the U.S. Midwest.

## **D. Other Expansions on the Enbridge System**

Since constructing the first pipeline from Alberta to Superior, Wisconsin in 1949 and beginning operations in 1950, Enbridge has expanded the Enbridge Mainline System a number of times to increase transport capability from western Canada and North Dakota to U.S. Midwest and eastern Canadian markets.

In addition to the Border Crossing Facilities detailed in this Application, Enbridge filed with the Department of State on April 9, 2007 an application seeking a Presidential Permit for a new 20-inch diameter Border Crossing Facility referred to as the "LSr Project." The LSr Project will add incremental transportation capacity to the Enbridge Mainline System from Cromer, Manitoba to Clearbrook, Minnesota in order to transport the light and medium sour crude oil volumes that are received into the Enbridge Mainline System at Cromer, Manitoba. The transportation of these volumes on the LSr Project will free up capacity on the Enbridge Mainline System west of Cromer, thereby partially relieving the forecast capacity constraint for all grades of crude oil moved on the Enbridge Mainline System.

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<sup>7</sup> See Exhibit E.

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Additionally, Enbridge is currently expanding and extending its Lakehead System entirely within the United States via a project referred to as the "Southern Access Project." The first stage of this Project is a new 42-inch diameter pipeline, adding 146,000 bpd of capacity from Superior, Wisconsin to the Chicago area and is currently under construction for start-up in early 2008. The second stage of the Southern Access Project continues the construction of the new 42-inch diameter pipeline to Flanagan, Illinois (just southwest of Chicago) for completion in early 2009. When complete, these two stages together will add 400,000 bpd of capacity to the Enbridge Mainline System. In a third stage of the Southern Access Project subject to FERC approval of rates and tariffs, Enbridge will extend its pipeline system from Flanagan, Illinois to reach the Patoka, Illinois hub.

Also, Enbridge has proposed a new 20-inch diameter light hydrocarbon ("diluent") pipeline from the Chicago area to Clearbrook, Minnesota to be built in parallel phases and immediately adjacent with other pipeline projects described herein. This program also includes the reversal of an existing 18-inch diameter pipeline from Clearbrook, Minnesota to Alberta, Canada, which will be the subject of a separate application to the Department of State.

## G. Summary

The Alberta Clipper Project provides a competitive and timely alternative to address the critical need for increased transportation capacity out of the WCSB, as a result of increased oil production over the next fifteen years. The planned December 31, 2009 in-service date of the Alberta Clipper Project meets industry's needs and avoids potential capacity apportionment that effectively removes otherwise available supplies from the market. Also, the Alberta Clipper Project provides expanded system flexibility

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which can be implemented in stages, meeting future shipper demands for additional pipeline capacity.

Moreover, the Alberta Clipper Project affords shippers access to the widest variety of refinery hubs of any other major crude oil pipeline system in North America, providing optionality in infrastructure that allows shippers to adapt to market conditions. As a direct result, shippers have the added flexibility to immediately respond to market conditions, such as oversupply in one area caused by a refinery outage or supply restraints in another area due to infrastructure damage such as that caused by the 2005 hurricane season in the Gulf Coast region.

As previously stated, the Alberta Clipper Project will be generally located immediately within or immediately adjacent to and contiguous with the existing Enbridge Mainline System right-of-way. Although minor route deviations away from Enbridge's existing route may be necessary, the combination of following existing Enbridge pipeline rights-of-way or other utility corridors results in a proposed system that minimizes landowner issues, environmental and socio-economic impacts, and risk of construction delays.

## **V. SIMILAR FACILITIES**

As previously stated, Enbridge has five (5) existing international crude oil pipelines that cross the international boundary near Neche, North Dakota, and a sixth proposed pipeline (LSr Project) that will cross the international boundary near Neche, North Dakota as filed with the Department of State on April 9, 2007. All six pipelines will be located within the same corridor. The five pipelines that comprise the Enbridge Mainline System will be the nearest similar facilities to the Border Crossing Facilities

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since Enbridge proposes to install such facilities within or immediately adjacent to the right-of-way of its Enbridge Mainline System. The Enbridge facilities are authorized under various previously issued Presidential Permits, as noted above.

## **VI. CONSTRUCTION PLANS**

The procedures that Applicant will implement during construction of the Alberta Clipper Project are thoroughly discussed in the enclosed EA (see Section III). The EA discusses the affected environment, environmental consequences and mitigation measures that will be employed during the course of such construction activities. It also addresses specific problems anticipated in the development and construction of the Alberta Clipper Project and further explains how such issues will be resolved. Other permitting, approvals and financing matters are discussed elsewhere in the instant Application.

## **VII. FINANCING AND RATES**

The financing for the Alberta Clipper Project will be obtained by Enbridge Partners through a combination of long term debt for approximately 50% of the project costs, and equity funding issued as needed. Portions of the Alberta Clipper Project may be temporarily financed under Enbridge Partners' Revolving Credit Facility or Commercial Paper program pending the issuance of permanent financing for the project. With its diversified earnings base and strong history of financial performance, Enbridge Partners enjoys access to funding in both the public and private capital markets.

As an interstate common carrier of crude petroleum and natural gas liquids, the rates, tariffs, and accounting practices for the Alberta Clipper Project will be subject to the

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regulatory jurisdiction of the Federal Energy Regulatory Commission ("FERC"). The rates for the Alberta Clipper Project will be included as a surcharge in the existing posted tariff rates for the Lakehead System. Applicant will file a settlement agreement under the applicable FERC rules and regulations, once commercial terms are finalized with the Lakehead System customers.

The anticipated economic life of these facilities will be at least 25 years.

## VIII. CANADIAN APPROVALS

The list below includes, but is not limited to, the major permits that Enbridge Pipelines Inc. ("EPI") will be securing from Canadian agencies for the portion of the proposed Alberta Clipper Project in Canada. EPI plans to file its Application with the NEB to construct, own and operate approximately 666 miles of 36-inch diameter pipeline from Hardisty, Alberta to the U.S.-Canadian boundary near Gretna, Manitoba, and upon completion will connect to the Border Crossing Facilities of the Applicant's Alberta Clipper Project.

The Canadian portion of the Alberta Clipper Project is expected to be in service by December 31, 2009, concurrent with the in-service date of the U.S. portion. At this time, EPI foresees no reason that would delay the timely issuance of the requested Canadian permits listed below.

Name of Permitting Agency	Type of Permit
National Energy Board	Federal
Minister of Fisheries and Oceans Canada	Federal
Minister of Transport Canada	Federal
Environment Canada	Federal

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Name of Permitting Agency	Type of Permit
Indian and Northern Affairs Canada	Federal
Natural Resources Canada	Federal
Canada Transportation Agency	Provincial
Prairie Farm Rehabilitation Administration	Provincial
Alberta Environment	Provincial
Alberta Health	Provincial
Alberta Sustainable Resource Development	Provincial
Saskatchewan Agriculture and Food	Provincial
Saskatchewan Culture and Heritage Branch	Provincial
Saskatchewan Environment	Provincial
Saskatchewan Watershed Authority	Provincial
Manitoba Conservation	Provincial
Manitoba Culture, Heritage & Citizenship	Provincial
Manitoba Agriculture, Food, and Rural Initiatives	Provincial
Manitoba Water Licensing Branch of the Water Stewardship Division	Provincial
Rural Municipalities	Local

## IX. OTHER U.S. APPROVALS

Table 1.4-1 of the attached EA lists all U.S. federal and state permits, licenses, approvals and consultation requirements Enbridge will be seeking as a direct result of the Alberta Clipper Project. Also, as part of the pre-application planning, Applicant has consulted with numerous federal and state agencies and is currently working closely with these agencies through further consultations and application submittals to secure in a timely manner, the appropriate federal and state permits and authorizations needed for the proposed project. In the case of the North Dakota Public Service Commission, and the Minnesota Public Utilities Commission, the Application will prompt additional public input through a formal public comment and public scoping process. During this process,

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Applicant representatives will be available to join agency representatives to address questions from the public. Similarly, the Wisconsin Public Service Commission and Department of Natural Resources have a public comment and informational process.

## **X. HISTORIC PRESERVATION**

Cultural resources are governed by federal laws enacted to protect these resources from damage or loss due to federally funded or permitted activities. These laws include the Antiquities Act of 1906; Historic Sites Act of 1935; Executive Order 13007; the NHPA of 1966; as amended, the Archaeological and Historic Preservation Act of 1974; the Native American Graves Protection and Repatriation Act of 1990; and the Archaeological Resources Protection Act of 1979. Executive Order 11593 also provides necessary guidance on protection and enhancement of cultural resources.

Applicant reviewed existing site data maintained by the State Historical Society of North Dakota, Minnesota Historical Society, and the Wisconsin Historical Society to determine if any portion of the proposed pipeline route was previously surveyed for cultural resources. A total of twelve previous archaeological studies have been identified that directly relate to the proposed pipeline route. The entire Neche, North Dakota to Clearbrook, Minnesota portion of the corridor was first surveyed as part of Enbridge's 1994 Capacity Expansion project (North Dakota Case No. PU-179-93-767 and Minnesota SHPO No. 94-2227). In 1998, portions of the previous survey corridor were included in another Enbridge expansion project named Terrace I or Terrace Expansion (Minnesota SHPO No. 98-2466). The Terrace I project did not extend beyond the survey corridor for the 1994 Capacity Expansion and, therefore, no additional archaeological investigations were required for Terrace I. In 2002, portions of the

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Clearbrook, Minnesota to Superior, Wisconsin survey corridor were included in a project named Terrace III, which added 120 miles of 36-inch diameter pipeline segments (or "loops") to the existing Lakehead System. A description of the review being conducted for each state is set forth in Section 3.9 of the EA.

## **XI. ENVIRONMENTAL JUSTICE**

In accordance with the Department of State's mandates under Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations (59 FR 7629), which requires that impacts on minority or low-income populations be taken into account when preparing environmental and socioeconomic analyses of projects or programs that are proposed, funded, or licensed by federal agencies. Applicant hereby submits that its environmental justice considerations, including information on minority and low-income populations likely to be affected by the construction of the proposed pipeline are addressed in Section 3.11.4 of the EA.

## **XII. COMPATIBILITY WITH NEC RECOMMENDATIONS**

With respect to the recommendations contained in the August 8, 1994 National Economic Council White Paper, "Staff Recommendations on the Task Force on Border Infrastructure and Facilitation for Improved U.S. Border Operations," Applicant states as follows:

- I. No specific or new support infrastructure or access roads are necessary or required by state or regional plans with respect to the Border Crossing Facilities.

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- ii. No Canadian development plans or priorities have been identified as specifically applicable to the Border Crossing Facilities. Applicant's Canadian affiliate will comply with all permitting and other requirements applicable to the Canadian segment of the Alberta Clipper Project.
- iii. As an interstate liquid hydrocarbon pipeline, the construction, operation, and maintenance including aerial, foot and in-line mechanical inspections are exclusively regulated by the United States Department of Transportation ("DOT"), Pipeline and Hazardous Materials Safety Administration ("PHMSA") pursuant to various federal laws and regulations. Upon the Alberta Clipper Project being commissioned and placed into service, Applicant will own and operate the proposed 36-inch outer-diameter pipeline as an integral part of its existing Lakehead System. The Border Crossing Facilities will comply with and be inspected by Enbridge personnel in accordance with DOT-PHMSA's regulatory requirements as set forth at 49 C.F.R. Parts 194 and 195. Pipeline inspections and testing will be completed by Enbridge in accordance with Enbridge Energy, Limited Partnership's Operating and Maintenance Procedures and federal regulations.

## XIII. ENVIRONMENTAL REVIEW

The U.S. Department of State requires certain information be submitted by an applicant in support of a Presidential Permit Application in connection with the environmental review of the proposed facilities. In addition to the Alberta Clipper Project, the environmental review enclosed herein also includes the Southern Lights Diluent Project (not subject to a Presidential Permit), consisting of a new 20-inch

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diameter, 189-mile pipeline between Superior, Wisconsin and Clearbrook, Minnesota which will be co-constructed with the Alberta Clipper Project, and is located within the Alberta Clipper Project footprint. The Southern Lights Diluent Project will connect to the Southern Lights Reversal Project at Clearbrook, Minnesota, which is subject to a separate Presidential Permit reversing the flow on an existing 18-inch diameter liquid hydrocarbon pipeline. Applicant's EA contains all of the necessary environmental information required under the National Environmental Policy Act as found in 40 CFR Parts 1500-1508 including:

- i. A description of the site of the proposed facility showing the types of environment that will be affected by construction of the facility and related facilities.
- ii. The probable impact of construction and operation of the proposed facilities on these environments, including the positive and negative aspects of primary (construction and operation) and secondary (related to long-term growth stimulated by the facility) impacts.
- iii. Ways in which adverse impacts might be mitigated through construction techniques, site planning, safety features, etc.
- iv. Any probable adverse impacts that cannot be avoided.
- v. A brief discussion of any tradeoffs between short-term environmental losses and long-term environmental gains, or vice versa.
- vi. The relationship of the proposed facility to other land use plans, policies, and controls in the affected area.

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